

The Highs and the Lows of Labor Force Participation

in Utah

Election years bring about inevitable conversations regarding unemployment rates, employment ratios, discouraged workers and labor force participation. This article spotlights one aspect of the labor force I've always found interesting: the labor force participation rate.

When measuring labor force participation, the usual universe includes the population 16 years and older not confined to an institution (nursing homes, prisons, etc.). The universe includes individuals 65 and older who are typically retired. The participation rate is simply the percentage of that universe which is active in the labor force.

To be counted in the labor force, one can either be employed or unemployed. Employed persons worked for pay or profit (or at least 15 hours in a family-owned business for no pay). A person on temporary absence from a job is also included. For example, if you are ill, on strike, on vacation, snowed in, or having a baby and will be returning to a particular job, you are counted as employed.

Enumerating the unemployed is somewhat trickier. To be counted among the unemployed you must be "able and available" for work and you must have made some type of job search during the last four weeks. An exception to the job-search rule is made for workers on temporary layoff.

Those not "employed" or "unemployed," are excluded from labor force counts—the retired, stay at home parents, discouraged workers who have stopped making a job search, and teenagers just going to school.

The American Community Survey five-year estimates (2006-2010) which are available for all counties, allow us to compare participation rates across Utah. Participation rates vary from only 51 percent of the 16 years-and-older population in Daggett and Piute counties to 73-75 percent in neighboring Wasatch and Summit counties. Studies have shown—particularly

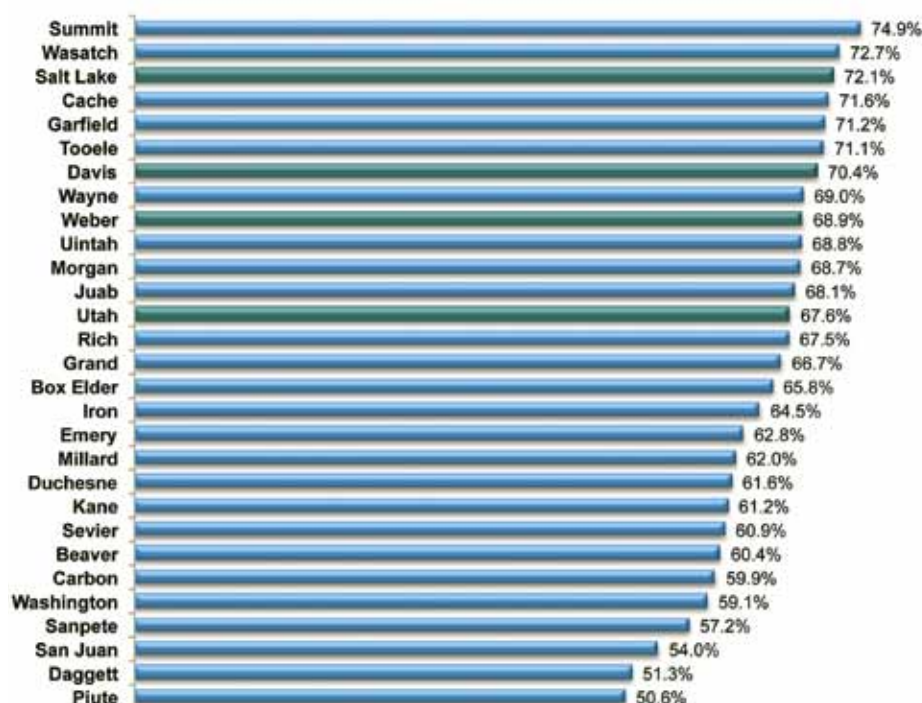


The labor force participation includes the population 16 years and older, as well as individuals 65+.

for women—a high correlation between educational attainment and labor force participation. Interestingly, Summit County also shows the highest proportion of individuals with a bachelor's degree or higher in the state. Population-dense Wasatch Front metropolitan counties all display higher-than-average labor force participation rates. Yet, some small rural counties also maintain high rates—notably Garfield (71 percent) and Wayne (69 percent). Interestingly, both of these counties display a significant tourism-related component to their employment base. Perhaps the seasonal, low-pay nature of these jobs require a higher rate of worker

participation in individual families to make ends meet. It seems reasonable to suppose that counties with a high proportion of seniors would show low labor force participation rates. Statistical analysis indeed shows a strong correlation between the percentage of the population over the age of 65 and a low labor force participation rate. Given the fact that women tend to participate in the labor force at a lower rate than men, I thought there might also be a relationship between the share of the labor force that was female and low overall participation rates. Not so. There appears to be only a weak correlation between the two. ⓘ

2006-2010 Labor Force Participation Rate



Source: U.S. Census Bureau; American Community Survey Five-Year estimate.

For more information about individual county labor force data, check out the American Community Survey data at:

- <http://factfinder2.census.gov>

